

NCRW Big Five Campaign: Economic Security

Overview: In the United States, 37 million people (12.6 percent of the population) and 7.7 million families are currently living in poverty.ⁱ Women make up a disproportionate number of the poor. Of families headed by single mothers, 28.7%, or four million, live below the poverty line compared with 13.0%, or 669,000 households headed by single men.ⁱⁱ In 2005, the proportion of women aged 16 and older living in poverty was 12.7%, compared to 9.2% of men.ⁱⁱⁱ To overcome economic hardship, women need opportunities to learn new skills and earn fair wages in order to support themselves and their families and lead healthy and productive lives. Women's advancement and well-being also depend on access to basic services and safety nets, such as paid sick leave, affordable child care and elder care, portable health care, adequate housing and secure retirements, including social security.

Paid Sick Leave: There are 145 countries around the world that mandate guaranteed paid sick leave for all employees, however, the United States is not among them.^{iv} An estimated 46 million U.S. workers do not have access to paid sick leave^v and nearly 80% of low-income workers cannot take time off from work to care for themselves or family members in case of illness.^{vi} Nearly 100 million workers are not covered by paid sick days to care for a child or other dependent.^{vii} In 2008, more than 14 states introduced laws to mandate paid sick days including: California, Alaska, Ohio, Illinois, West Virginia, North Carolina, the District of Columbia, Pennsylvania, Wisconsin, Vermont, Minnesota, Maine, and Massachusetts.^{viii}

Policy Recommendations:

- **Pass the Healthy Families Act.** The bill would provide paid sick leave to ensure that all citizens have the ability to address their own and their families' health needs without risking their jobs. The proposed federal legislation would guarantee workers up to seven paid sick days annually to recover from illness or care for a sick family member.
- At the local and state levels, **support legislation and ballot initiatives on paid sick leave** with protections and guarantees that support low-income workers.

Earned Income Tax Credit and Child Tax Credit: Introduced and passed by Congress in 1975, the Earned Income Tax Credit (EITC) is a refundable federal income tax credit for low-income workers and families. The program reduces the federal tax obligations of low-wage earners and provides tax refunds to the very lowest-paid workers.^{ix} The EITC was created to supplement wages and counterbalance the burden of social security taxes. In 2006, more than 22.4 million taxpayers received \$43.7 billion dollars under the EITC.^x As a result of the EITC, more than 3.7 million low-income taxpayers were lifted above the poverty line.^{xi}

Policy Recommendations:

Expand the Earned Income Tax Credit to include workers without children and increase support to larger working families. EITC expansion would:

- Provide more generous tax credits to families with three or more children since they require greater resources to maintain the same standard of living as smaller families;
- Modify the tax schedule to reduce marriage penalties;
- Simplify eligibility criteria for the EITC; and
- Provide more generous credits for single, childless contributors and non-custodial parents.

Child Care: Nearly 12 million children under the age of five are in some type of childcare setting each week. They spend an average of 36 hours per week in these settings. In addition, more than 10 million children aged five to fourteen are in after-school care during the week while their mothers are at work.^{xii} In 2005, among families who paid for child care, those below the poverty level spent approximately three times the percentage of their income on child care as other families (29% compared with 6%).^{xiii} The Child Tax Credit provides a tax credit of up to \$1,000 per child, but provides inadequate support to the poorest families.^{xiv}

Policy Recommendations:

- **Expand the Child Tax Credit** to all low- and moderate-income families;
- Increase federal funding for child care through the **Child Care and Development Block Grant (CCDBG)**;
- Make the **Dependent Care Tax Credit** refundable to help low-income families, and
- **Index the Child Tax Credit to inflation** to maintain support levels.

Women's Retirement: Social Security is the mainstay of retirement income for older women, 90% of whom receive benefits from the program. Widowed, divorced, and never-married women are especially dependent on Social Security, which accounts for at least half the income of nearly three-fourths of non-married women aged 65 and older. Social Security is the *only* source of income for about one-fourth of them.^{xv}

With longer life expectancies than men, women tend to live more years in retirement and have a greater chance of exhausting other sources of income. Elderly women are also less likely than elderly men to have significant income from pension sources other than Social Security. Women represent 57 percent of all Social Security beneficiaries aged 62 and older and approximately 70 percent of beneficiaries aged 85 and older. In 2004, only 22 percent of unmarried women aged 65 and older received private pensions (either as retired workers or surviving beneficiaries), compared to 29 percent of unmarried men.^{xvi}

Policy Recommendations:

- Offer additional **low-cost, portable retirement plans** to working women and extend **tax credits to businesses** that provide such pension plans;
- Promote **financial literacy** programs for women and girls;
- Expand **eligibility for divorced spouses** and increase benefits for divorced spouses and widows;
- Add a **“family service credit”** to social security that includes an earnings credit for **“drop out years”** that were used for caregiving;
- Extend pension coverage to part-time workers;
- Require employers to allow employees to **vest in pension plans earlier** as a way of encouraging higher levels of participation.

Pay Equity: In 2006, women earned 19 percent less than men. Today, women at every educational level continue to earn much less than men at the same level. African-American women and Latinas earn even less at

69 percent and 59 percent respectively.^{xvii} Women aged 25-35 earned 12% less than men in the same age group despite the fact that many more of the women were college graduates and fewer were high school dropouts. And while women's wages have risen in all states, since 1989, the typical full-time woman worker still earns less on average than the typical man in any state. At the current rate of progress, nationwide, it will take 50 years to close the wage gap.^{xviii}

Policy Recommendations:

- Support the **Lilly Ledbetter Fair Pay Act** which aims to restore the right of American workers to seek justice if they are subjected to wage discrimination.

Minimum Wage: According to the most current numbers from the Bureau of Labor Statistics, women make up 68.8% of those working at or below minimum wage.^{xix} Nine million women (59 percent of minimum wage earners) and six million people of color (40 percent of minimum wage earners) receive *all* of their earnings from minimum wage jobs. Among low wage-earning families with children, 46 percent earn a minimum wage.^{xx} Of those paid by the hour, 267,000 were reported as earning exactly \$6.55, the prevailing Federal minimum wage. Another 1.4 million were reported as earning wages below the minimum.^{xxi}

Policy Recommendations:

- Raise the minimum wage: Raising the minimum wage would increase annual earnings to \$15,000 from \$10,700. At current levels, a family of three supported by one minimum wage earner has income that registers \$5,400 below the federal poverty line. Women would benefit the most from a minimum wage increase: 59% of workers who will benefit from the increase to \$7.25 by 2009 are expected to be women. Increasing the minimum wage would be of particular benefit to workers of color. African Americans represent 11% of the total workforce, but 16% of workers who would be impacted by the minimum wage increase. Similarly, 14% of the total workforce is Hispanic, but Hispanics are estimated to be 19% of workers who will be affected by an increase.

Affordable Housing: Women, because of their disproportionately low income levels and disproportionately high responsibility for dependent children and the elderly, are particularly vulnerable to the rising costs and the decreasing availability of decent, affordable housing. Nationally, female-headed, one-adult households make up 33% of the households eligible for housing assistance.^{xxii} Nearly 8 million Americans live in neighborhoods of concentrated poverty where at least 40 percent of residents are poor.^{xxiii} Housing that is safe, decent, and affordable is essential for ensuring secure and adequate standards of living for women, children, and families.

Policy Recommendations:

- Create affordable housing: in collaboration with community developers and organizers, rebuild distressed neighborhoods; encourage the development of mixed-income housing and neighborhoods; and increase the number of housing vouchers offered to low-income families.

The NCRW Big Five Campaign

The National Council for Research on Women is raising awareness about the status of women in the United States by focusing on the *Big Five* issues of importance to women and girls, namely: economic security, health, immigration, violence, and education. Although these issues are critical to the lives and well-being of women and girls, the challenges are particularly acute for those living in poverty, immigrants and women of color. For more information, please contact the National Council for Research on Women: ncrw@ncrw.org or visit our website: www.ncrw.org.

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- ^{vi} "Are low-wage workers and their families a priority in 2007." 2007. National Center for Children in Poverty at Columbia University. http://www.nccp.org/media/releases/release_18.html
- ^{vii} "Paid Leave: Paid Sick Days." 2008. From the National Partnership for Women and Families, available at http://www.nationalpartnership.org/site/PageServer?pagename=ourwork_pl_PaidSickDays.
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